

OPEC Ministers End Talks After Failure to Agree

By Bob Hagerty
Associated Press
GENEVA — The Organization of Petroleum Exporting Countries, alarmed by the plunge in oil prices and unable to agree on what to do about it, finally gave up Monday and decided to leave Geneva without an accord.

The failure to agree after nine days of talks prompted steep declines in the prices of actively traded crude oil. On the New York market, West Texas Intermediate crude for May delivery dropped as low as \$11.50 a barrel, down from \$12.15 on Monday, still down from \$12.50 on Friday.

At the time, such crude was selling for about \$30. The 13 OPEC members, whose share of world oil production is about 60 percent, agreed to meet again April 15 in Vienna, but they did not agree to any other action.

U.S. Fighters Strike Missile Site in Libya, Hit 2 Vessels in Gulf

WASHINGTON — U.S. aircraft attacked two Libyan vessels and an anti-aircraft battery Monday after Libyan forces fired six missiles at U.S. military planes in the Gulf of Sidra, U.S. officials said.

The White House said that no U.S. planes were hit. Larry Speakes, the White House spokesman, said that a Libyan patrol boat was disabled and burning. Later, Defense Secretary Casper W. Weinberger announced that a second Libyan vessel had been attacked at Sidra, about 320 miles (400 kilometers) east of Tripoli, where Soviet SAM-5 missiles are known to be based.

Shultz Shops in Turkey, but Talks Hit a Snag

George P. Shultz, the U.S. secretary of state, bought several rugs during a visit to Istanbul. He was in Turkey to discuss an agreement for defense and economic cooperation, but negotiations faltered over provisions to tie the presence of U.S. military bases to trade concessions by Washington.

Latin Money Crisis Growing, Bank Says

By William D. Montalbano
Los Angeles Times Service
BUENOS AIRES — Despite a growing call for North-South cooperation to restore economic growth, Latin America is slipping deeper into crisis, the Inter-American Development Bank reported Monday.

The Washington-based bank, which in 1985 made development loans of \$3 billion, said in its annual report that regional living standards declined for the fourth straight year and that the net transfer of Latin American resources to creditor countries amounted to \$30 billion.

The bank said that the net transfer of Latin American resources to creditor countries amounted to \$30 billion. Prospects for improvement in this year were not encouraging, it said.

Aquino Plans Provisional Government

By William Branigan
Washington Post Service
MANILA — President Corason Aquino is expected to formally declare a provisional government Tuesday with broad emergency powers to speed the dismantling of communist structures inherited from the deposed president, Ferdinand E. Marcos.

The state-run television said Monday that measures to be announced by Mrs. Aquino would include the dissolution of the National Assembly and the reviving of the constitution.

Meanwhile, the Communist Party of the Philippines and a leftist front organization announced separately that they were ready to talk to the Aquino administration about a cease-fire with government troops.

'Birders' Find Hobby Is Not Cheap, Cheap

By Hollie A. Ormiston
New York Times Service
NEW YORK — Whether to catch the wood warblers' migration to Long Island Sound in New York or to view the arrival of ring-necked blackbirds at Cape May, New Jersey, bird-watchers these days are engaging in their own spring ritual.

Bird-watching attracts an estimated 21 million Americans and has become the nation's second-most popular passive sport, topped only by gardening, according to the National Audubon Society.

Moreover, it has turned into a multimillion-dollar industry for the scores of companies that run field trips to far-off places and produce everything from leather-bound field guides to programs that display the shape and markings of birds on computer screens at home.

INSIDE

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GENERAL NEWS

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BUSINESS/FINANCE

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TOMORROW
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ARTS/LEISURE

Exports of Rioja, Spain's premier red wine, have been steadily growing for a decade. Page 9.

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State Parties In Malaysia Draft Pact to End Violence

By Michele Cooper

KOTA KINABALU, Malaysia — Prime Minister Mahathir bin Mohamad said here Monday that the state of Sabah's three major political parties had agreed on a formula to end the unrest that has claimed five lives over the past two weeks.

The agreement would ensure political and economic stability, he said at a press conference at the end of a one-day visit during which he met with Joseph Pairin Kitingan, the east Malaysian state's chief minister and head of the governing party in Sabah, the Parti Bersatu Sabah.

The formula will probably result in some form of power sharing between Mr. Kitingan's party, which is largely backed by Sabah's ethnic Chinese and indigenous Christian Kadazans, and the two other parties, analysts said.

Mr. Mahathir also met separately with Tun Mustapha Harun, the president of the United Sabah National Organization, and Mohamed Noor Mawad, the president of Berjaya, or Sabah People's Union.

The two Muslim-based parties have demanded federal intervention in Sabah, claiming that Mr. Kitingan's party, which is predominantly Christian, was discriminating against Muslims, an allegation the chief minister has denied.

Mr. Kitingan's party won bitterly contested elections last April, making



Mahathir bin Mohamad

Sabah the only state in the federation not under Muslim rule.

Mr. Mahathir did not give details of the agreement but said that while the formula might not satisfy everyone, "everyone is expected to make some sacrifice, some contribution towards making it a success." He said that the formation of a coalition was "one possible approach."

The agreement would be conditional upon all lawsuits pertaining to the political rivalry being ended. Among the pending suits is one filed by Mr. Mustapha last May seeking a declaration that he is Sabah's legitimate chief minister because he was sworn into office before Mr. Kitingan. The high court has said it will rule on the suit April 15.

Mr. Mahathir again rejected demands for federal intervention, which has been sought by Muslim leaders after a spate of bombings, arson attacks and rioting over the past two weeks.

A senior Indian official said that the reported settlement between Mr. Kitingan, 45, a Catholic lawyer, and Mr. Mahathir during the press conference.

India Rejects Carbide Offer Of \$350 Million as Inadequate

By Steven R. Weisman

New Delhi — India rejected Monday a tentative agreement by Union Carbide Corp. to pay \$350 million to victims of the 1984 gas leak in Bhopal and indicated that it would challenge the settlement in federal court in New York.

The government said in a statement that the lawyers for the victims had agreed to accept the settlement with Carbide had no right to reach such an agreement.

"There cannot be any settlement without the government's agreement," the statement said. It called the amount of the settlement inadequate and "totally unacceptable."

New reports here have said the settlement was sought by Carbide in the range of \$1 billion as the minimum necessary to help the families of the 2,000 persons who died and about 200,000 others hurt in the gas leak at the Carbide plant on Dec. 2, 1984.

A New York Times report about the settlement was widely publicized in Indian newspapers Monday, and Indian officials indicated that pressure had mounted on the government to say something.

Several members of parliament belonging to parties opposed to Prime Minister Rajiv Gandhi said Monday that Mr. Gandhi and his aides had gone back on a promise not to settle for a small amount.

Government spokesmen in parliament said they could not respond to the charges.

A senior Indian official said that the reported settlement between Carbide and the private lawyers took the nation by surprise.

In its statement, the government repeated its claim that it alone had the right to represent the Bhopal victims. Starting last fall, the government opened up tests throughout the gas leak area and signed up tens of thousands of persons for the purpose of making legal claims.

In addition, the parliament passed a law last year giving India the sole right to represent the victims. The government also called a U.S. law firm, Robins, Zelle, Larson & Kaplan of Minneapolis, to represent it in the U.S. courts.

U.S. lawyers who had come to Bhopal after the accident have maintained that India has no right to turn them from representing victims in a U.S. court of law.

Federal Judge John F. Kozminski ruled that a team of lawyers and law firms, including the Minneapolis firm, would represent the victims. But he has urged the parties to try to negotiate a settlement.

In its statement, India said that Union Carbide was "taking every possible step to ensure that the case is settled for a very low amount."

The statement said that the government's position "has been that it will only settle for an amount that will fully and fairly compensate all the victims. Needless to say, any settlement which is at variance with this will not be acceptable."

Indian officials, who asked not to be identified, said that the Indian government was torn by conflicting demands in the Bhopal case.

There is great pressure on New Delhi to settle the case early and avoid a court procedure that could consume years.

But an associate of Mr. Gandhi's

said the prime minister was sensitive to opposition charges that his government might be overly willing to settle to encourage investment by multinational companies in India.

Some U.S. diplomats are known to be worried that the court case could spill over and damage Indo-American relations, though the United States is not a party to the suit.

Some Indian officials have acknowledged that the government has had difficulty in making a comprehensive inventory of the suffering caused by the gas leak and that as a result there was a period in which aid was being distributed to people who may not have deserved it.

At one point last year, for example, most of the residents of Bhopal were receiving food rations, which were originally intended only for the gas leak victims.

There were also reports in Bhopal last year that some victims were bribing doctors to draw up medical certificates attesting to their illness from the gas leak, apparently so they could be compensated.

Doctors in Bhopal said that although 200,000 people were injured by the gas leak, only about 10,000 were still severely afflicted by breathing problems.

In the tentative settlement announced Sunday by a Carbide spokesman, the \$350-million compensation fund would be paid out over several years. It would accrue with interest to \$500 million to \$600 million, according to Carbide.

The settlement requires Judge Kozminski's approval. He has not yet commented on it.

WORLD BRIEFS

Reagan Is Admired on Soviet 'Evil'

WASHINGTON (UPI) — President Ronald Reagan says the Soviet Union is the "greatest threat to peace" and does not regret calling it an "evil empire."

Mr. Reagan made the remarks during an interview to be shown in advance of the Academy Awards program Monday night. "I have tactfully tried to quiet down, now, because we are trying to arrive at some agreements" with the Russians, Mr. Reagan said. "I do not regret, at all, saying those things, because I came here believing that it was necessary after the efforts that this country has made back through the years to try and establish a dialogue."

Asked if he still thought the Russians are "the greatest threat to peace," Mr. Reagan said, "Yes," adding, "until, by god, not alone word, they prove that they are willing to get along in the world with countries that have other systems and other forms of government."

U.K. Sends Warrant for IRA Suspect

LONDON (UPI) — Britain sent new warrants to Ireland on Monday for the extradition of Evelyn Glenholmes, who is accused of three IRA killings in London. Britain blamed a technician for a Dublin court's decision to free her.

Police in Dublin refused comment on whether they had resumed the search for Miss Glenholmes, whose whereabouts are now unknown. They confirmed they had received the renewed warrants.

Ireland has blamed Britain for the flawed extradition warrants that enabled Miss Glenholmes, a suspected Irish Republican Army member wanted in Britain for murder, attempted assassination and bombing, to be released from prison Saturday. She has denied the charges.

Ex-Haitian Minister Urges Reforms

PORT-AU-PRINCE, Haiti (NYT) — Gérard Gourgue, the human rights activist who resigned in protest last week as justice minister of the interim Haitian government, has described his country as "an angry nation," crying out for social and economic justice.

Mr. Gourgue, 60, a lawyer and high school principal, said Sunday that the anger was expressed in sporadic street protests since the overthrow of Jean-Claude Duvalier six weeks ago was unlikely to subside until the country's new leaders began making fundamental changes.

In a move that foreign diplomats said undercut the credibility and stability of the interim government, Mr. Gourgue resigned Thursday, saying he felt his reputation was being damaged by his continued membership in a government that had failed to prosecute former members of the Duvalier families.



Gérard Gourgue

Chun Ally Rejects Opposition Demand

SEOUL (Combined Dispatches) — A day after the largest anti-government demonstration in years, the chairman of the South Korean ruling party again rejected an opposition demand Monday that the constitution be revised before 1988.

Representative Roh Tae Woo of the Democratic Justice Party said in parliament that the nation's constitution can be changed only after the 1988 Olympics in Seoul. President Chun Doo Hwan has promised to begin that year, but opposition spokesmen have demanded a constitutional revision allowing elections by next year.

On Sunday, an estimated 20,000 people gathered in the port city of Pusan to hear Kim Young Sam, an opposition leader, warn Mr. Chun that he might face the same fate as the deposed Philippine leader Ferdinand E. Marcos, if he does not fulfill the people's wishes. Sunday's demonstration was the first of three provincial rallies planned by opposition groups to collect 10 million signatures to back the demand for elections.

Pretria Rejects Child-Killing Charge

JOHANNESBURG (UPI) — A group of women from 10 anti-apartheid groups said Monday that South African police had killed 28 children last year and that some were tortured and whipped while being held without charge.

The women presented the allegations at a meeting in Cape Town with the law and order minister, Louis le Grange, who rejected them. "This is yet another example of how unsubstantiated and one-sided allegations are made public in an obvious bid to discredit the police," he said.

The women representing the Child Welfare Society, the Union of Jewish Women, the Catholic Women's League and seven other anti-apartheid groups, said official figures showed that 201 children under 18 were killed by police in racial rioting during 1985. They said several hundred children were among the more than 7,000 people detained without charge during a state of emergency from July 21 to March 7.

For the Record

Wine adulterated with methyl alcohol has killed a sixth person, a man from the town of Calozziocorte in the province of Bergamo north of Milan, police sources in Lecco, Italy, said Monday. The wine had been bottled by a company in the Aso region of northern Italy. (Reuters)

Finland will buy weapons worth 2.2 billion marks (540 million) from the Soviet Union in the period 1986-1990, a Defense Ministry spokesman said Monday in Helsinki. (Reuters)

Fifty prisoners raided Pakistan's biggest prison, at Sukkur, on Sunday and freed 35 inmates in an assault that left two persons dead. Three escapes were captured and police were searching Monday for the gunman and the other 32 fugitives. (UPI)

SmithKline Beckman Corp. of Philadelphia offered a \$700,000 reward Monday for information leading to the arrest and conviction of whomever tampered with three of its over-the-counter drugs — Contac, Telenor and Dietex — or with Johnson & Johnson's drug Tylenol. (UPI)

Correction

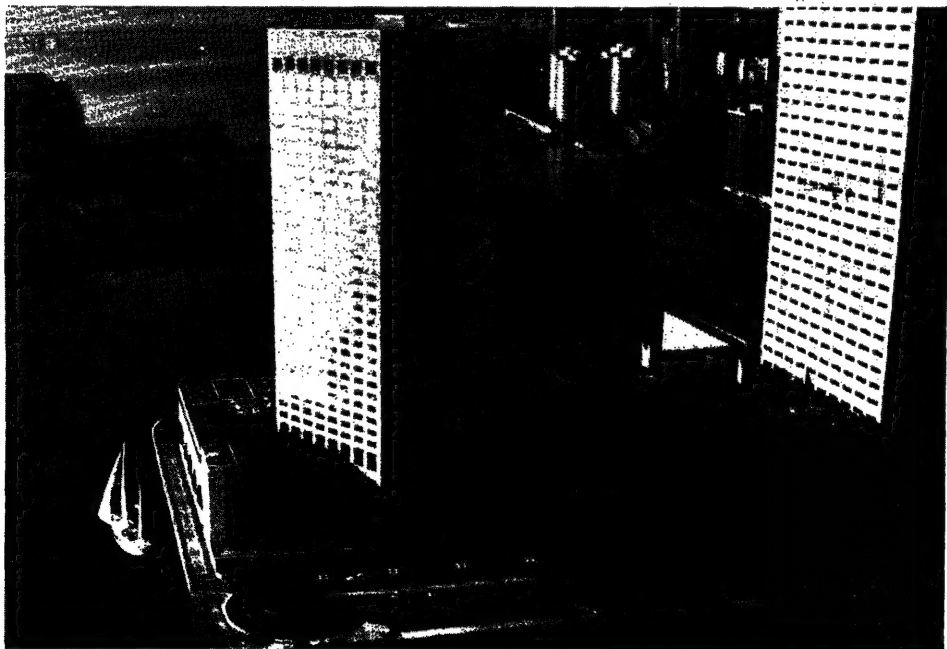
An article Monday erroneously identified a showing of Karl Lagerfeld fashions that was staged on Saturday. The Lagerfeld collection for Chanel was held on Monday. Saturday's showing was his own collection.

Thatcher Denies Dealing in Stock

LONDON — Prime Minister Margaret Thatcher denied Monday an allegation that she had been British parliamentary convention by dealing in stock while in office. In a statement issued from her Downing Street office, she denied a report in the Mail on Sunday newspaper that she had made a £3,300 (£3,400) profit on a deal involving shares of Australia's biggest company, Broken Hill Proprietary. She said she had acquired a small holding in the company in 1971 when she was opposition leader. "All the shares are still held on my behalf," Mrs. Thatcher said.

She said investment managers had powers to buy and sell without consulting her. Political commentators said her statement left unanswered the question of why Mr. Thatcher, prime minister since 1979, waited until last year before transferring her investments to independent managers.

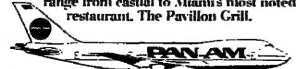
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WORLD BRIEFS

Amant on Soviet Test
President Ronald Reagan said "I don't want to see the Soviet Union go to pieces" and does not expect remarks during an interview with a new, British-born, American-born, Mr. Reagan said, "I do not see I came here believing that the Soviet Union has made back through the years."

Varrant for IRA
The British government is adding "military" to the list of "terrorist" groups to get along in the world with the other forms of government.

Minister Urges Reform
E. H. Harte, the minister of the government, urged reform in the government, saying that the government is not a "one-way" street and that the government is not a "one-way" street.

jects Opposition
The government is not a "one-way" street and that the government is not a "one-way" street.

Child-Killing
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France's New Agriculture Minister Rejects EC Plan to Cut Farm Prices

the April 1 deadline, diplomats said. The Communist vote slumped 9.8 percent, the lowest level since

The Communist vote slumped 9.8 percent, the lowest level since 1924, giving the party only 35 deputies in the National Assembly, the same as the far-right National Front.

Pierre Juquin, a reformist member of the Central Committee

On Saturday, 150 Communist intellectuals published an appeal in the newspaper *Le Monde* for a special congress to discuss the party's electoral decline from the position it held in the 1960s and 1970s, when one voter in four supported it.

Celebration for the BBC

Reuter's

LONDON — The British Broadcasting Corp. celebrated Monday 40 years of beaming Russian language news and current affairs programs to the Soviet Union. An estimated 14 million people in the Soviet Union listen to the 46-hour-

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Democrats' Quest: Shaping a Positive Image on Military Issues


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Aquino Team Resists Pressure, Counsels Patience

By Seth Mydans

MANILA — Just once in her first three weeks of leadership, people in the corridors outside the president's office have heard Corazon C. Aquino raise her voice and the story is being told and retold with excitement among her aides and cabinet ministers.

Nobody seems quite sure what it was that made her angry, just the question of how the usually soft-spoken new president exercises her power is a subject of intense interest.

By all accounts, this neophyte politician is firmly in charge of the government, relying on her instincts to set its policy directions and leaving the details to her subordinates.

Asked whether she relied on one key aide or a group of advisers, one of her closest associates, Finance Minister Jaime Ongena, said, "Just one: Cory Aquino."

But as her first month in power nears an end, Mrs. Aquino has still not demonstrated those qualities of leadership beyond the arena of her own administration. She is still struggling to formulate her policies, (ii) government positions and receiving a stream of visitors.

Instead of moving vigorously on such matters as the insurgency, the economy, prosecution of wrongdoers remaining from the Marcos regime and human rights abuses, she has created commissions to study the problems.

Although few politicians have dared to criticize her, other critics

with less chance to prepare for rule than most new administrations.

The president is expected to make policy statements soon on national security and the Communist insurgency and on an expected proclamation of what is known as "revolutionary government."

It is a measure of her emerging style of leadership that she has moved slowly, listening to arguments from all sides, on the question of whether to work within the government framework left behind by Mr. Marcos or to set new rules under a "revolutionary" rubric.

Members of her cabinet say they expect her to announce that she will not feel bound by the checks and balances of the Marcos government and will move to write a new constitution and hold elections by the end of the year.

But political commentators are beginning to ask whether she may have let slip her moment of greatest popularity and political momentum.

Mrs. Aquino has appeared only rarely in public in her first weeks in office. She has spent her days within the quiet house where she has set up office on the grounds of the presidential palace, receiving a stream of visitors.

Instead of moving vigorously on such matters as the insurgency, the economy, prosecution of wrongdoers remaining from the Marcos regime and human rights abuses, she has created commissions to study the problems.

Although few politicians have dared to criticize her, other critics

say that there is, for the moment, a sense of a lack of direction in the new government.

Some suggest that her first steps in office have been the easy ones, steps that carry out what they see as the legacy of her husband, Benigno S. Aquino Jr., the opposition leader who was assassinated in 1983.

These have involved the restoration of the right of habeas corpus, which will halt Mr. Marcos' practice of extrajudicial arrests and detentions, and the freeing of political prisoners despite the objections of the military.

Mrs. Aquino has also lowered fuel prices and cut electricity and transport rates, moves she has described as aimed at helping the poor.

Both the freeing of the prisoners and the cuts in prices have been taken despite the counsel of her advisers in these areas, and are seen as reflecting the personal principles by which she intends to govern.

But her slowness to act on other urgent matters has already led to some signs of discontent.

Some sectors, such as the military and local government, have begun to reassert themselves, apparently in reaction to what seems to be a lack of firm central control.

Some Filipinos are calling for more aggressive prosecution of the rich overlords known as the "cronies" of Mr. Marcos, many of whom remain in place.

Aquino to Declare Provisional Government

(Continued from Page 1)

viewed speech she is scheduled to make Tuesday was "speculative."

The statement by the Communist Party and the New People's Army general staff praised Mrs. Aquino for restoring civil liberties, freeing more than 500 political prisoners and taking steps to "dismantle the fascist structures" left by Mr. Marcos. It said the rebels "sincerely acknowledge" Mrs. Aquino's popular support.

"With just, sincere and prudent moves of the concerned parties, a negotiated cease-fire is possible on a nationwide scale," said the statement, which was dated March 18 but released Monday.

It added, however, that "U.S. imperialism and reactionaries in the Ministry of Defense and the Armed Forces of the Philippines are provoking" Mrs. Aquino "to revert to the rabid counterinsurgency campaigns that discredited the overthrown regime."

"This and similar conditions stand in the way of a meaningful cease-fire and peace," the state-



Corazon C. Aquino, right, talked Monday with Leticia Ramos-Shaham after swearing her in as a deputy minister for foreign affairs. Mrs. Ramos-Shaham is a sister of General Fidel V. Ramos, the armed forces chief of staff.

ment said. "Nevertheless, we are listening to the president's call."

The statement issued Monday by the National Democratic Front expressed "readiness to dialogue with the government of Corazon Aquino on the subject of an eventual cease-fire between the New People's Army and the Armed Forces of the Philippines." But it added, "Objective conditions at the present time do not permit the surrender of the people's right to bear arms in the defense of their revolutionary gains."

According to the military, the first surrender of a large number of Communist rebels since Mrs. Aquino came to power took place Monday, indicating that the new government's appeals are having an effect.

Brigadier General Rodrigo M. Ordoño, the commander of the 34 Infantry Division, reported that more than 1,000 Communists led by a 31-year-old woman, Beatriz Jaramilla, gave themselves up on the central Philippine island of Negros and turned in 20 weapons.

The Communists were said to be members of recruiting and propa-

ganda teams rather than guerrilla fighters.

There was no immediate independent confirmation of the report.

Under Mr. Marcos, military officers often staged false surrenders, using ordinary village people instead of guerrillas.

The U.S. commander at Subic Bay Naval Base appealed Monday for calm after six U.S. servicemen and six Filipinos were injured in clashes outside the base's main gate Friday night and Saturday.

U.S. authorities said they were investigating charges that U.S. marines were involved in incidents in which two Filipinos were stabbed and later hospitalized.

The strikers used picket lines and roadblocks Monday to stop Filipinos from entering the Subic base and Clark Air Base, but U.S. servicemen and their dependents were permitted in and out of Clark.

About 30 members of the leftist Bayan organization, which U.S. officials considered a Communist front, reportedly were turned away by the strikers outside Clark on Sunday night.

Thai Leader Orders Chief Of Military To Retire

United Press International

BANGKOK — Prime Minister Prem Tinsulanonda, defying the implied threat of an army coup, ordered on Monday the retirement of his armed forces supreme commander.

General Arthit Kamlang-ek, who is commander in chief of the army as well as supreme commander, was seeking a second one-year extension beyond the mandatory retirement age of 60.

"I will definitely not extend the government service of General Arthit," said Mr. Prem, who is also defense minister. "He will have to retire on Aug. 31."

He said his government could not run the country if it feared the military's power and influence.

Military sources denied reports Monday of unusual activity among Bangkok-based tank and infantry regiments.

"The situation is completely normal," a source said.

Mr. Prem also demanded an investigation of two senior military officers who warned on army television last week that a rejection of General Arthit's request for an extension would "go against the will of the armed forces."

Mr. Prem said: "This was a serious violation of discipline."

General Arthit's followers, led by General Chuanthai Sangthavee, the deputy army commander, held press conferences last week to urge the government to keep the general on for another year.

Some officers hinted they would stage a coup if Mr. Prem defied their wishes.

But political analysts said the army, shaken by a short-term attempt in September, was too divided to take drastic action. Mr. Prem is said to remain backing in much of the military.

General Arthit, who will be 61 on Aug. 31, was suspected of wanting to replace Mr. Prem as prime minister.

He rose to prominence by suppressing a 1981 coup against Mr. Prem. He later influenced the government to back down in a confrontation with the prime minister over a devaluation of the currency in 1984.

The officers considered most likely to replace General Arthit is Lieutenant General Chaovalit Yongchaiyuth, 54, the army's chief of staff. He suppressed an unsuccessful coup attempt in September 1985 while General Arthit was out of the country.

U.S. Talks With Turkey Falter Over Bases, Trade

The Associated Press

ANKARA — Secretary of State George P. Shultz is to leave without a new agreement on defense and economic cooperation between the United States and Turkey, a U.S. official said Monday.

The New York Times reported that Mr. Shultz's hopes for an early renewal of U.S. military base rights in Turkey appeared to falter because Turkey insisted on linking the renewal to major trade concessions by the United States.

The linkage seemed to have caught U.S. officials off guard, and Mr. Shultz complained Sunday in Istanbul that the Turks had "sandbagged" him and accused them of beating me over the head about it.

Turkey's main plea during Mr. Shultz's visit has been for a larger share of the U.S. textile market in an effort to improve its economy through trade rather than aid.

The U.S. official asserted Monday that the cooperation agreement "really isn't linked" with the trade request.

Lower-level diplomats will continue trying to settle the issues, the official said.

Foreign Minister Vahit Halefoğlu repeated the trade requests at a meeting Monday with Mr. Shultz, and the U.S. official acknowledged that "talks on textiles are proceeding in parallel, but they could have been finished before or they could have been finished after."

"I can now safely say we expect the talks to go on and come to a conclusion in such time as people are ready," the U.S. official said.

"But we certainly do not expect an agreement to be signed or the relationship to be extended while we are here."

The initial five-year term of the pact expires in December but continues in effect until a new accord is signed or the old one is renounced by one of the countries.

In blunt talk Sunday in a private meeting with Turkish businessmen in Istanbul, Mr. Shultz said that Turkey would not get the aid and trade increases it wants, even by "beating me over the head about it."

"I have been brought here in order to have a nice luncheon and instead get hit behind the ear," he said to the gathering.

Mr. Shultz's remarks were in reply to an address at a luncheon in Mr. Shultz's honor by Sadiq Seidman, chairman of the Turkish Industrialists and Businessmen's Association, who said that the United States should "assist us not by dis-

but by facilitating our export performance."

The U.S. official, who spoke on condition of anonymity, said the two nations would not be able to settle differences before Mr. Shultz leaves for Ankara, after ending three days of talks with Turkish officials on Tuesday.

Responding to assertions that the United States has raised unfair barriers to Turkish textile imports, the secretary told the trade association that the worldwide textile quota system was to blame for Turkey's small share of the market in the United States.

"It's perfectly all right not to be satisfied with it," Mr. Shultz said of the textile trade, according to a U.S. transcript. "But that's the reality."

Mr. Shultz, on a four-country trip to Europe, was in Ankara Monday for further talks with the country's leaders.

Prime Minister Turgut Özal has focused on the textile issue in an effort to improve his country's trade with the United States of \$700 million.

Turkey also wants its direct U.S. aid increased to \$1.2 billion a year from about \$750 million.

Nazi Hunter Says He Doubts Charge Against Waldheim

Agence France-Press

VIENNA — Simon Wiesenthal, the Nazi hunter, called Monday for Yugoslavia to clarify a charge that Kurt Waldheim, the former secretary-general of the United Nations, was sought by Yugoslavia in 1944 for war crimes with the German Army in World War II.

But he said, "I doubt that a man of the reputation of Tito would have received Mr. Waldheim on several occasions if the latter had been sought as a war criminal."

In a message to Prime Minister Milan Planinc of Yugoslavia, who is visiting Vienna, Mr. Wiesenthal said: "Yugoslavia has never up to now, to my knowledge, asked the Austrian government for the extradition of Mr. Waldheim."

Mr. Waldheim, a candidate for president of Austria, said earlier this month that he served as a translator with a German unit in Greece but did not know that the unit deported Jews from Greece to Nazi death camps.

The World Jewish Congress charged Saturday that Mr. Waldheim had been on a 1945 list of people sought by Yugoslavia for war crimes.

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Austria	4,000	2,100	1,100	475
Belgium	9,000	4,800	2,600	1,000
Denmark	1,700	1,000	550	275
France	1,400	800	450	200
Germany	1,200	700	400	175
Greece	1,500	850	475	200
Italy	1,100	650	350	150
Japan	2,500	1,400	750	350
London	1,100	650	350	150
Netherlands	1,100	650	350	150
Norway	1,100	650	350	150
Portugal	1,100	650	350	150
Spain	1,100	650	350	150
Sweden	1,100	650	350	150
Switzerland	1,100	650	350	150
Rest of Europe, North Africa, former French Africa, Middle East	1,100	650	350	150
Rest of Africa, Gulf States, Asia, Oceania	1,100	650	350	150

Weakened OPEC and Falling Oil Prices Bring Better Times, More Friends to Israel

By Thomas L. Friedman

JERUSALEM—In 1974, when the Arab oil-exporting states were just reaching the pinnacle of their economic and political power, Prime Minister Yitzhak Rabin prophesied that Israel was headed for seven lean years.

But reversing Joseph's warning in the Bible, Mr. Rabin added that the seven lean years would be followed by seven fat years—if Israel could just weather the oil price storm.

Mr. Rabin was off by a few years, but his instincts proved correct. Israel had to weather a lean decade, during which its gasoline prices reached \$3 a gallon, or 30 cents a liter. Its hostile Arab neighbors increased their wealth astronomically, and its diplomats and business executives were kept at arm's length by friends in Europe and Africa who were afraid of offending the Arab oil powers.

Today, the drop in oil prices and the decline in the power of the Organization of Petroleum Exporting Countries is proving a diplomatic, strategic and economic bonanza. Israeli officials believe the situation will continue to improve.

Signs of the new times abound. Israel's domestic energy prices are coming down; its Arab neighbors are being forced to trim their budgets; countries such as Spain, Poland, and the Ivory Coast—which

for years wanted to establish diplomatic ties but were afraid to do so for fear of Arab retaliation—have shown a new openness toward Jerusalem.

"And, for the first time, several non-Arab OPEC members have quietly ignored the organization's longstanding boycott and asked Israel's minister of energy whether he would buy some of their crude oil."

"We have probably benefited more than any other country by what has happened to OPEC," said Abba Eban, the chairman of the Israeli Knesset's Defense and Foreign Affairs Committee. "It has produced an enormous deflation of Arab extortionary powers."

David Kimche, the director-general of the Israeli Foreign Ministry, added: "The Arab countries have been our down to size, and this has opened up a new chapter for Israel, with many new possibilities."

The decline in OPEC prices and doubt is not an unmitigated blessing, Israeli strategists note. The political instability that may occur in the Arab world and in the Israeli-occupied West Bank—when rising economic expectations meet falling oil revenues—could be a boon for political extremists and Moslem fundamentalists. It also could set off a wave of instability that might wash over Israel, too.

But for now, Israeli officials are adding up the benefits.

'We have probably benefited more than any other country by what has happened to OPEC.'

—Abba Eban



Israel's minister of energy, Moshe Shalev, reflected that he now had the best job in the cabinet. "I am the only minister with no problems," Mr. Shalev said. "Everyone else is cutting, cutting, cutting, and I come to the cabinet meeting and say, 'I have a surplus.' When I came to the cabinet in September and said I was going to reduce the price of gasoline, my

predecessor, Yitzhak Mordechai, did not believe me. Who in Israel ever heard of lowering oil prices? But we did it."

In 1980, the energy ministry, which purchases all the country's oil, spent slightly less than \$2 billion for crude oil, not including transportation costs. The average price a barrel was \$21.19. This year, officials expect to spend less than \$1 billion, at an average price of \$13 to \$14 a barrel. That \$1 billion saving compared with 1980 amounts to about 10 percent of the government budget.

The government has reduced retail gasoline prices three times since September, bringing premium-grade gasoline down to \$2.60 from an average price of about \$2.80 a gallon last year. Prices have been lowered even further for industrial fuel oil.

As significant for the Israeli economy as the price reductions was the timing. Last July, Prime Minister Shimon Peres and Mr. Mordechai, now the finance minister, instituted strict economic reforms in which the government held the exchange rate steady, manufacturers froze prices and workers agreed to a 25-percent reduction in wages.

The program brought the annual inflation rate down in the last six months from 40 percent to about 25 percent. However, the wage program led to the exchange rate steady, manufacturers froze prices and workers agreed to a 25-percent reduction in wages.

By lowering the state-controlled fuel prices, said Ilan Maoz, the director of policy planning at the energy ministry, "the government can offer to improve exportation and have provided data only after long delays."

crosses to their workers—without their having to raise prices much. As the OPEC and non-OPEC producers have scrambled for market shares, Israel has found itself with a glut of oil sources after years of being treated as a pariah by producers.

Currently, Israel meets its crude oil needs—about 45 million barrels a year—by buying about 25 percent from Egypt, 35 percent from Mexico, 10 percent from Norway and 30 percent from the spot market. A refinery at Haifa turns the crude oil into products for the entire Israeli market.

But now several OPEC members have asked Israel to buy their crude oil. Mr. Shalev said, although he declined to name them.

"For symbolic reasons," he will complete a deal with one of them, he said. Some of the offers have even been on a barter basis. Mr. Shalev said, and even Britain, which has always refused to do oil business with Israel so as not to offend the Arab states, has sent a wink and a nod in Jerusalem's direction.

"I had the pleasure of being the first Israeli minister of energy to tell the minister of mining of Her Majesty the Queen of England that we don't need their oil," Mr. Shalev said.

Because of the variety of sources knocking at Israel's door, Mr. Shalev decided to eliminate much of the country's large and expensive inventory of oil on hand, at a saving of \$200 million. In addition, the government is feeling so comfortable about supplies that it is considering lifting its monopoly on crude oil purchases and allowing Israeli oil companies to scour the world competitively for the lowest prices.

Perhaps most important, according to Mr. Shalev, is that the decline in oil prices is giving Israel a respite of both time and money, during which it can develop more of its own sources of energy.

The Energy Ministry is continuing to finance solar projects, which currently provide 1 percent of Israel's energy needs. A pilot plant for extracting shale oil is being built. Israel is sitting atop 10 billion tons of oil shale—about 50 years' worth of its energy needs—that is not far from being technically and economically viable. If and when crude oil prices rebound to the \$20 range, Mr. Shalev said, the search is still on for crude oil.

Geologists believe a recent Egyptian oil strike at El Arish, along the Egypt-Israel border, extends into southern Israel. For the first time, Mr. Shalev said, some major multinational oil companies are "not afraid" to come to Israel to explore the Negev, although he declined to mention names.

The decline of OPEC has proved a diplomatic windfall. In the last

year, Spain, which had never had relations with Israel, established diplomatic ties and the Ivory Coast, which broke off relations in 1973, restored them. Poland, which severed relations in 1967, has indicated that it is ready to open a diplomatic office in Tel Aviv.

Several other African nations have been holding secret discussions about restoring relations, according to Israeli government sources.

Mr. Eban noted that the very nature of the Arab-Israeli debate is changing as the potency of Arab oil diminishes.

"A decade ago, countries were taking their political stands almost entirely on the basis of oil," he said.

"There was a kind of swagger to the Arab side as they went about the world. It was in this atmosphere, that, in 1975, the United Nations passed the resolution equating Zionism with racism. It was in this atmosphere that the Palestine Liberation Organization really legitimized itself and that Yasser Arafat was invited to the United Nations."

Today, Mr. Eban noted, a lot of what is going on in the Arab world is out of the Middle East context. On the strategic level, the decline of OPEC is seen by Israeli experts as a mixed blessing. According to Mark Heller, the deputy director of the Tel Aviv University Jaffe Center for Strategic Studies, the oil price decline is going to "make it more difficult for Arab states to finance an accelerated arms race or even maintain the tempo of the last few years."

He added: "Given the cutbacks the Israeli army is now having to accept, that is a real godsend."

Third World Agencies

Plan Program for News

HAVANA—A conference of the Pool of Nonaligned News Agencies has ended here with a program for stepping up its output of economic news and cutting costs through communications agreements.

The "Havana action program," approved Saturday after three days of talks, proposed greater emphasis on economic information, particularly regarding the "various debt problems which aggravates the difficulties of Third World countries and limits the development of their information networks."

U.K., Yugoslav Officials Meet

BELGRADE—Sir Geoffrey Howe, the British foreign secretary, met Monday with Foreign Minister Rado Daskalovic of Yugoslavia for talks expected to cover a wide range of international questions.

King Fahd of Saudi Arabia recently noted that the oil price decline had put his country into an "extremely critical" financial predicament. Introduction of the Saudi budget for 1986-87 is reportedly being postponed and the budget could be as much as 25 percent lower than that of 1985-86. That cutback would have a substantial effect on countries such as Syria and Jordan, which benefited indirectly from the oil boom.

According to the decisions of the 1978 Arab summit meeting in Baghdad, the Arab oil producers were supposed to pay almost \$2 billion a year to Syria and \$600 million to Jordan. In recent years only the Saudis have been paying their share. Now, even their payments are in question.

President Hafez al-Assad of Syria devoted most of a recent speech, on the 23rd anniversary of the revolution, to the oil price decline.

He said, "The oil price decline is going to 'make it more difficult for Arab states to finance an accelerated arms race or even maintain the tempo of the last few years.'"

He added: "Given the cutbacks the Israeli army is now having to accept, that is a real godsend."

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Ministers End Meeting Without Pact

(Continued from Page 1)

insisted that it receive two more barrels for every one allotted to Iraq.

"You can say we have a self-imposed quota," said Ramzi Salim Abdul Hussain, Iraq's chief delegate, who asserted his country's "right" to 13.1 percent of whatever OPEC produces.

In the circumstances, an agreement was impossible, delegates agreed.

Mr. Subroto, who was chosen to draw up a proposal because of his negotiating skills, is also a mathematician. What OPEC needed, some observers said, was a magician.

Nonetheless, Kuwait's minister, Sheikh Ali Khalifa al-Sabah, tried to make the best of the situation as he hurried off to the airport. "We understood each other's positions more clearly and have a basis for going back to consult with our governments," he said.

If oil prices fall much further, some observers say, more OPEC members will be ready to accept

smaller quotas in their desperation for higher revenue per barrel.

Under the latest Subroto plan, Iran would have had a second quarter quota of 2.13 million barrels a day, against an estimated February production figure of 1.7 million.

Iraq 1.38 million, against 1.7 million; Venezuela 1.36 million (1.4 million); Nigeria unchanged at 1.2 million; and Indonesia 1.14 million (1.4 million).

Meanwhile, a delegate reported that OPEC had deferred a decision on whether to continue paying a Dutch auditing firm, Klynveld Kraaijenhoff & Co., to monitor OPEC members' compliance with production quotas.

Some members maintain that the quota system approved in late 1984, based on an overall ceiling of 16 million, is no longer in effect. Thus, they say, there is no reason to audit.

In addition, some delegates charge that Libya, Nigeria, Iran and Iraq have decided to supply the auditors with sufficient information and have provided data only after long delays.

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Dangerous Games at Sea

There is a similarity to the reports of U.S. Navy fleet movements off Libya and in the Black Sea. The planes and the carrier groups in the Gulf of Sidra is a major exercise of muscle-flexing, intended, according to the best reports, as the definitive American response to Libya for its role in the Rome and Vienna terrorist bombings last December. Other, more direct forms of retaliation were discarded as too indiscriminate or risky. By this operation, the official word goes, either Colonel Mouamar Qadhafi will be made to suffer the influence of elements of an enormous fleet into waters that he claims (almost no one else agrees) are territorial, or he will challenge it and suffer an even more humiliating military rebuff.

Perhaps Colonel Qadhafi will indeed incur the intended symbolic or real defeat. The one sounds awfully abstract, however, and the other rather casually thought out. Why would a country whose strong suit is terrorism want to play into the hands of the United States' strength in naval power? The David-versus-Goliath image which plagues all American efforts to get back at the Arab world is bound to be revived in this episode. Vigilant pursuit of good intelligence and Libya's economic and political isolation are still the best answers to this dangerous and bizarre man.

In the Black Sea a couple of American

warships have just steamed six miles (about 10 kilometers) off the Soviet coast. The operation appears to be part of a contest of military might for many countries for intelligence purposes and to assert a legal right of passage. In the eyes of the law it is "innocent passage." But politically it is like the act of war, just less committed. Perhaps there is something militarily useful to learn by switching on the radars close in. But six miles is awfully close. When the Pentagon is asked what the Soviet do, the answer is that their warships have sailed that not to American overseas territories but not to the American coast proper.

It is not to incidents like these that the United States has its separate rationale. But they reflect a similar readiness on the part of the U.S. government, or elements of it, to engage in political posturing. The question is whether these things are done on the basis of a deliberate and coherent plan or whether they simply flow from an unexamined political impulse. To every from the newspapers that some in the Pentagon consider such operations good for building support for the budget is not reassuring.

—THE WASHINGTON POST.

Managua: Negotiation Is Best

The House's rejection of a \$100-million aid package for the "contra" rebels has been as much a test of domestic will as of foreign policy. President Ronald Reagan and House Democrats, representing broad constituencies, recent and distant, have been at odds in dealing with Nicaragua. But however our checks and balances are finally calibrated, the Sandinistas should not be allowed to have the country's approval of their present course. What produced the 223-210 vote against giving Mr. Reagan free aid was agreement to vote against next month's proposed aid package of sanctions. A more sophisticated American response requires a comparable step backward in Managua.

Mr. Reagan ended the argument into a test of anti-Communist fervor. Those who opposed him sensibly doubt that American interests and democratic values in Nicaragua can be advanced by an exile army with no impressive following in that country. The fears of blundering into another Vietnam were only heightened when Mr. Reagan pointed out that Latin America as a continent of democracies waiting to collapse at Nicaragua's touch.

The president's fear is not another Vietnam but another Cuba. And the Sandinistas turned to Cuba and the Soviet Union even before the contra challenge; their intended order looks to be a continuation and their ideology denotes the United States.

But all these arguments by analogy risk obscuring reality—and opportunity. The Sandinistas have arrived without a declared leader and at a time of global disengagement with the Soviet model. Their goal for acceptance abroad and capacity to govern at home is so far impeded that tolerance and opposition, led by a hostile Roman Catholic

Church. Even as a civil war beckons, some of their internal critics still speak out.

If the Managua junta will but listen, there is a lesson in Washington's hesitation about the contra. When our political and economic interests and democratic values are at stake, the United States must not be seen to be a hemisphere. What divides Americans is the wisdom of using force in a region where past history and present reality suggest that the way out is to strive for a negotiated settlement that assures America's fear and honors Nicaragua's self-respect.

There is no reason to believe that Mr. Reagan's report to violence but it cannot, alone, force him into a shrewd diplomacy. Managua's conduct also counts. Mr. Reagan has offered the Sandinistas a choice: either they agree to a negotiated settlement or some of the very people they fought for years to drive from power. But Arturo Jose Cruz, a democrat who now speaks for the coalition of rebels, says it would be enough for the regime to negotiate with recognized opposition groups inside Nicaragua.

There is more to talk about. Potentially a great deal. How much aid could be for the democratic world for a truly pluralistic regime, what military and economic burdens could it bear? It would be good to see the Soviet bloc to genuine realism; how much sympathy and support could be found in other Latin American by a regime that practices true independence.

America's leaders last week gained another chance to liberate their policy from simplistic analogies. Nicaragua's gained another chance to escape the dead-end of a policy of no aid for a war of intervention or cycle of tyranny to prove the verdict of recent history. This hemisphere's future belongs to the world.

—THE NEW YORK TIMES.

Other Opinion

Reagan's Defeat on 'Contras'

President Ronald Reagan described his defeat [on aid for the Nicaraguan rebels] as a "dark day for freedom." His statement is hard to swallow since even American witnesses who are above suspicion have accused the "contras" of rebels, of inhumanity, murder and torture. One need not be a friend of the Soviet government to be greatly relieved that the House majority has come out, at last temporarily, against millions of dollars for new weapons deliveries to the contra. It would be well to remember that in the past it has not been Soviet influence but mostly American policy which has led to anti-Americanism in Latin America.

—Frankfurter Roundtable.

The rejection of assistance to the anti-Sandinista rebels is not a surprise. On the part of the president appeared directly to public opinion when he was challenged in Congress, but this time he pushed too hard. The horrible scenario that he painted in the case of the rebels did not have the desired effect. The fear Americans have of losing soldiers again in a guerrilla war is great. Vietnam has

not been forgotten. This hasn't changed now that under Mr. Reagan the contra sees itself as "conservative" and "nationalist."

—Frankfurter Roundtable.

Rather than letting Mr. Reagan resort primarily to military means, the opponents of his policy would like to explore the possibilities of a dialogue between the two parties involved. This is also the wish of the countries of the region. It is also the wish of the countries of the region to the tougher line that Mr. Reagan desires. The president would offend a good number of Latin American countries if he refused to take notice of the reaction that his attitude has provoked among them.

—La Morte (Paris).

With what looked at one stage like the entire Reagan administration lobbying Congress for \$100 million for the rebels, the rhetoric on both sides was getting hot and smoldering.

—Los Angeles Times.

FROM OUR MARCH 25 PAGES, 75 AND 50 YEARS AGO

1911: Anglo-German Pact Is Needed
NEW YORK—The New York Sun says: "Sir Edward Grey's longing for a league of arbitration and eternal amity with the United States, as President W.H. Taft has proposed, suggests the wisdom of commencing such an agreement first with Germany. The British Ministry of Foreign Affairs has been in the past a positive agreement with some nations to abide by the adjudication of an international arbitral court on every question that could not be settled by negotiation, but such an agreement is not really necessary between England and the United States. It is almost impossible between England and Germany for the distrust of power and the expansion of the military power of the latter has led to the peace of Europe. The reduction of armaments would then become a simple matter."

1936: Communists Snipe at the Nazis
BERLIN—The underground Communist party is conducting a sniping electoral campaign in opposition to Joseph Goebbels's nationalist propaganda campaign. Election leaflets being passed about in Berlin and elsewhere in the Reich indicate that the leaders of this illegal party are making strenuous efforts to prevent the election of Hitler as Chancellor and the Nazi party in the balloting [on March 29] for the Reichstag. In line with the decisions taken in the Communist congress at Moscow last summer, an appeal is made to united front of all the opposition elements against the election of Hitler. The question often asked is what happens if the 6,000,000 Germans who voted Communist in the Reichstag elections of 1932. There is no means of determining the present strength of the Communists.

WASHINGTON—Seven years have passed since that chilly afternoon in late March 1979 when Jewish crowd gathered for the first time in the north of the White House to witness a historic drama—the signing of the first peace treaty between Israel and the Arabs. The day was dawning, or so it seemed. The pagantry of peace-making seemed, for a heady moment, the doubts and the hopes of the negotiators.

Seven years later, the Egyptian-Israeli peace treaty appears a lonely relic of shattered dreams. Awaras-Sadat is gone. Menachem Begin in power. Jimmy Carter far from power. Their successors do, on occasion, politely comment on the achievement, but today's protocols are elsewhere. In both Israel and Egypt, there is widespread disillusionment with the peace, though few in either country speak of attempting to overturn it.

Both President Hani Mubarak of Egypt and Prime Minister Shimon Peres of Israel—preoccupied with an unexamined political impulse. To every from the newspapers that some in the Pentagon consider such operations good for building support for the budget is not reassuring.

—THE WASHINGTON POST.

Afghanistan: A Nation Scarred by Soviet Brutality

By Per Egil Hegge

O.S.O.—It was the little boy who made the strongest impression. Ten years old, he came in on crutches, his right leg torn and mangled by the Soviet soldiers. "We ran into the hills when the Soviet soldiers came to our village," he explained through his interpreter. "When we came back, my sister picked up an alarm clock. There was a big bang. My sister was killed. My father was killed. My leg was injured."

Mr. Hegge was in the Kunaar province. Ashkabi was carried on a donkey's back across the Afghan-Pakistan border to Peshawar, where his leg was amputated. He was a member of the Soviet army. He was a member of the Soviet army. He was a member of the Soviet army.

On March 16, about two years later, he told his story to the Second Afghan War Tribunal in Oslo. The tribunal was a joint venture of the Norwegian Foreign Ministry and the first held three years ago. Among other witnesses bearing testimony to the atrocities in Afghanistan were two Norwegian doctors who had treated many of the mujahideen. Two local guerrilla commanders and one deserter from the Soviet army in Afghanistan.

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—THE NEW YORK TIMES.

thousands of Israelis have by now been photographed and videotaped and befriended by anonymous Egyptians in coffee houses, hotels and homes. A thin trickle of Egyptian tourists in turn ventured to Tel Aviv, Jerusalem, Haifa.

Egypt's bustling embassy in Tel Aviv is after the United States mission, the largest, most active diplomatic establishment in Israel. The continued absence of an Egyptian ambassador, recalled in the wake of the Sabra and Chatila massacres near Beirut in September 1982, deeply makes Israeli sensitivities.

Israel's able and energetic range far and wide among Jewish Arabs alike—on television, at academic conferences, in frequent meetings with cabinet ministers.

Israel's Embassy in Cairo is as much isolated, even to a unacknowledged near-boyhood by Egyptian officials. Even so, Ambassador Moshe Sasson, fluent in Arabic, has been able to establish an official Egyptian circle. The Israeli flag flies in Cairo and the embassy plays an important role in analyzing the political, economic and social currents flowing alongside the Nile.

There is little rivalry, except in oil. Israel's much of its energy from Egypt. There could and should be more trade if negotiations revivify the Israeli-Palestinian peace process. Normalization agreements of 1981 and 1982. The two economies are, in the end, interdependent, and trade potential is limited.

The border is peaceful, yet

By Samuel W. Lewis

watched carefully by a 3,000-man Israeli force. Tourists cross it uneventfully by bus, taxi and car at two points, hampered only by outmoded Egyptian bureaucratic practices. A daily flight leaves Tel Aviv for Cairo, and the two cities are in one hour; the overland trip takes about eight. Today, the planes fly three-fourths empty, but they fly.

Disputes, misunderstandings, suspicions, random uprisings like the shooting last autumn of Israeli

Seen years later, the treaty is a mountain peak in a sea of sand.

tourists in Sinai by a fanatical Egyptian policeman, unfulfilled promises to peace, and the rest of the Israeli-Palestinian conflict.

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sons to want to fight again. Since it serves the basic interests of both nations, the treaty is a sturdy plant that will not easily be uprooted. The Egyptian leaders grant it for another reason: Pridé prohibits their admitting to Arab critics that Mr. Sadat's choice, to exchange peace for lost lands, might have been mistaken. Israel's leaders embrace it because it realizes a part of the Israeli fervent dream of acceptance by its neighbors. And, of course, peace in the south frees energy to confront Syria in the north.

Why, then, the disillusionment? For Israel, the answer lies in the gap between the dream and the reality. Never having known any peace at all in the 33 years of existence that preceded this treaty, Israelis have imagined that peace would mean unending friendship, not merely the absence of war. Many subconsciously took the American-Cuban pact as the model. When reality was different, Israelis felt betrayed.

This disillusion has produced a damaging side-effect: Israel's public is now less, not more, concerned with giving up strategic depth in territory worth the risk.

In truth, this "peace" is not much more than a "peace" in name. It is a peace in reality that the de facto state of "nonbelligerence" that already exists on Israel's eastern border with Jordan. "Territory for peace" is a controversial slogan in Israeli public opinion. The "cold peace" with Egypt makes it for aggressive today.

For Egyptians, there has also

been disillusionment. Mr. Sadat led them to believe that peace would help overcome their economic ills, that settlement of the Palestinian problem would follow, that the Arab world would copy Egypt's example and Egypt would regain its traditional place as Arab leader.

Note that that occurred. Israel negotiating stalemate thwarted fulfillment of the part of the agreement intended to provide a transitional period of real autonomy for the West Bank and Gaza, while the forces struck at the Iraqi nuclear reactor in 1981 and the Syrian and Tunisian Egyptian coasts.

Nevertheless, the peace stands intact after seven bloody years. It survives, says Lebanon and the Syrian and Libyan efforts to undermine it. It is not what was once thought of as a peace in name, but a peace in reality.

In a region where peace has been hard to come by, the Israeli treaty is a mountain peak in a sea of sand. Nothing will again be the same in the Middle East in its wake.

—THE NEW YORK TIMES.

Using Facts To Shatter Alamo Myth

By David J. Weber

DALLAS—When Texas history buffs recall the fall of the Alamo, in commemoration of the battle which took place 150 years ago, they often tell of the heroism of the men who fought within the walls of the old Spanish mission, participants re-enacted the famous scene in which Colonel William B. Travis was killed.

What the enthusiasts brought tears to the eyes of some colorists, there is no good historical evidence ever occurred. The story of the Alamo is a myth, a legend, a fiction.

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Moscow Will Have to Negotiate With the Mujahidin

By S. Khovansky

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categorically refused, saying they had no desire to kill fellow-Muslims. After a bitter clash, the protest was broken up by Soviet troops, and wounded on both sides, but of course, not in equal proportions.

It is too soon to see in such protests the beginning of a real anti-war movement, comparable to the one which shook the United States at the end of the 1960s and beginning of the 1970s.

From 1985, Soviet forces started losing the strategic initiative. The rebels' growing stock of anti-aircraft and anti-tank weapons made Soviet offensives risky.

1970s. The Afghan war is an important, but not a central, issue in Soviet life. Moreover, the strength of the Soviet repressive apparatus is much greater than in the United States, and the political activity of the Soviet masses much lower. Nonetheless, the Soviet leadership cannot fail to take into account mass anti-war protests.

The principal reason for the military failures of the Soviet army does not lie in the quality of the weapons, nor in organizational or leadership problems, but in psychology. The political structure explains the military direction of Soviet troops into Afghanistan by the need to meet an invasion of China and American encroachment.

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adequately taking into account the real situation, public opinion, and the moral and political climate of the country. The conclusion: "One must create an atmosphere of positive dialogue between the Soviet and Afghan peoples, including with those who have so far in the name of the national rebirth of Afghanistan, maintained positions inimical to the revolutionary reality."

The Pravda article was perhaps the first serious indication of a move toward the solution of the Afghan problem toward a political one.

It is clear that the unilateral withdrawal of Soviet forces from Afghanistan would not lead to an end to the bloodletting or to an end to the war. Consequently, if the Soviet Union is trying to end the war and simultaneously get a stable, friendly state on its southern frontier, it is necessary to begin direct talks with the mujahidin.

The writer, a dissident Soviet author connected with "Reformers" in the Soviet establishment, wrote this for the Russian underground press. A copy reached the West through private channels. It was written by a member of the Eastern Europe, a Russian-language journal published in Moscow.

This article and other editorial translations appeared without the author's knowledge in The Washington Post.

LETTER

U.S. Must Aid 'Contras'

Regarding the editorial "Questions for Reagan" (March 11):

It is ridiculous to argue that the "contras," or rebels, in Nicaragua consider themselves U.S. allies. After five years they are further from aid from victory. No Communist dictatorship ever found its own end and the oldest is running into its 70th anniversary. Other totalitarian systems come to an end. Marxist ones, unless chopped off at birth, flourish and could make the dire vision of a world of free democracies will perish.

R. PEREZ-MAURA Y GARCIA, Pamplona, Spain.

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NYSE Mixed in Active Trading

Another period of intense trading in the New York Stock Exchange followed in active trading Monday as blue-chip issues advanced but recovered less than half the losses they suffered in Friday's sharp drop.

The Dow Jones industrial average climbed 14.37 points to 1,782.93 after losing 35.68 points Friday.

Market indexes also gained. The New York Stock Exchange composite index rose 0.74 point to 135.54. Standard & Poor's 500-stock index advanced 0.25 to 235.33. The price of an average share jumped 22 cents.

The broader market gave a lackluster performance. Lending issues continued to show weakness after the 2,082 issues traded.

NYSE volume totaled 143.81 million shares, down from 199.1 million in shares traded Friday.

Analysts said trading was "choppy" and "cool" after the Dow's sharp drop Friday. They said there was demand for stocks that bore the brunt of Friday's action but warned about potential disappointments regarding corporate earnings.

Honeywell warned that its earnings would be disappointing. Another computer company, Burroughs, issued a similar warning last week. Such forecasts exacerbate investors' worries about a flagging economy, analysts said.

"Investment seems to be lagging, possibly reorganizing their strategies after Friday's expiration of March stock index futures and options," said Eugene Peroni Jr. of Bateman Eichler, Hill Richardson noted Monday's action — a strong blue-chip sector and a weaker broad market — reversed Friday's pattern, which had the blue-chip issues stocks lost ground while the broader market held firm.

There's a lot of indecisiveness and no real, strong leadership," Mr. Peroni said.

On the trading floor, Commonwealth Edison (ex-dividend) was the most active NYSE-listed issue, rising 1/4 to 33. AT&T followed, unchanged at 22.

Union Carbide was third, advancing 1/4 to 21 1/4. The company agreed to pay \$350 million to settle damage claims resulting from the December 1984 poison gas leak in Bhopal, India. India has called the settlement unacceptable.

Genstar fell 1/4 to 39 1/4 in active trading. The Canadian company said it is reviewing an "unsolicited" \$54-a-share offer for all of its shares by Inasor Ltd. Genstar's stock climbed 6 Friday.

Advancing blue-chip issues included General Motors, up 1/4 to 84 1/4, American Express, up 1/4 to 66, Sears, up 1/4 to 47, Philip Morris, up 1/4 to 122, and General Electric, up 1/4 to 77 1/4.

In the computer sector, IBM eased 1/4 to 148 1/4. Digital Equipment fell 1/4 to 153 1/4. Cray Research was down 1/4 to 67 1/4 and Honeywell fell 1/4 to 114 1/4. The latter was down 1/4 to 64 1/4.

Airline issues were higher after OPEC's oil ministers broke off nine days of emergency talks Monday without agreeing on how to stem the worldwide oil price in crisis. AMR climbed 1/4 to 52 1/4. Delta rose 1/4 to 42. UAL added 1/4 to 56 1/4 and TWA inched up 1/4 to 18 1/4.

High	Low	Open	Close	Change
1782.93	1782.93	1782.93	1782.93	+14.37
135.54	135.54	135.54	135.54	+0.74
235.33	235.33	235.33	235.33	+0.25
143.81	143.81	143.81	143.81	-

Symbol	High	Low	Open	Close	Change
IBM	148 1/4	148 1/4	148 1/4	148 1/4	-1/4
Digital	153 1/4	153 1/4	153 1/4	153 1/4	-1/4
Cray	67 1/4	67 1/4	67 1/4	67 1/4	-1/4
Honeywell	114 1/4	114 1/4	114 1/4	114 1/4	-1/4

Symbol	High	Low	Open	Close	Change
Genstar	39 1/4	39 1/4	39 1/4	39 1/4	-1/4
General Motors	84 1/4	84 1/4	84 1/4	84 1/4	+1/4
American Express	66	66	66	66	+1/4
Sears	47	47	47	47	+1/4
Philip Morris	122	122	122	122	+1/4
General Electric	77 1/4	77 1/4	77 1/4	77 1/4	+1/4

Symbol	High	Low	Open	Close	Change
AMR	52 1/4	52 1/4	52 1/4	52 1/4	+1/4
Delta	42	42	42	42	+1/4
UAL	56 1/4	56 1/4	56 1/4	56 1/4	+1/4
TWA	18 1/4	18 1/4	18 1/4	18 1/4	+1/4

[illegible]

Statistics Index

AMEX Most Active	NYSE Most Active	NYSE Volume	NYSE Value	NYSE High	NYSE Low	NYSE Open	NYSE Close	NYSE Change	NYSE High	NYSE Low	NYSE Open	NYSE Close	NYSE Change
IBM	IBM	1,000,000	\$1,000,000,000	100	90	95	95	0	100	90	95	95	0
AT&T	AT&T	500,000	\$500,000,000	50	40	45	45	0	50	40	45	45	0
GE	GE	250,000	\$250,000,000	25	20	22	22	0	25	20	22	22	0
Westinghouse	Westinghouse	150,000	\$150,000,000	15	10	12	12	0	15	10	12	12	0
General Electric	General Electric	100,000	\$100,000,000	10	8	9	9	0	10	8	9	9	0
IBM Corp.	IBM Corp.	50,000	\$50,000,000	5	4	4	4	0	5	4	4	4	0
AT&T Corp.	AT&T Corp.	25,000	\$25,000,000	2	1	2	2	0	2	1	2	2	0
GE Corp.	GE Corp.	15,000	\$15,000,000	1	0	1	1	0	1	0	1	1	0
Westinghouse Corp.	Westinghouse Corp.	10,000	\$10,000,000	1	0	1	1	0	1	0	1	1	0
General Electric Corp.	General Electric Corp.	5,000	\$5,000,000	0	0	0	0	0	0	0	0	0	0
IBM Corp.	IBM Corp.	2,500	\$2,500,000	0	0	0	0	0	0	0	0	0	0
AT&T Corp.	AT&T Corp.	1,500	\$1,500,000	0	0	0	0	0	0	0	0	0	0
GE Corp.	GE Corp.	1,000	\$1,000,000	0	0	0	0	0	0	0	0	0	0
Westinghouse Corp.	Westinghouse Corp.	500	\$500,000	0	0	0	0	0	0	0	0	0	0
General Electric Corp.	General Electric Corp.	250	\$250,000	0	0	0	0	0	0	0	0	0	0
IBM Corp.	IBM Corp.	150	\$150,000	0	0	0	0	0	0	0	0	0	0
AT&T Corp.	AT&T Corp.	100	\$100,000	0	0	0	0	0	0	0	0	0	0
GE Corp.	GE Corp.	50	\$50,000	0	0	0	0	0	0	0	0	0	0
Westinghouse Corp.	Westinghouse Corp.	25	\$25,000	0	0	0	0	0	0	0	0	0	0
General Electric Corp.	General Electric Corp.	15	\$15,000	0	0	0	0	0	0	0	0	0	0
IBM Corp.	IBM Corp.	10	\$10,000	0	0	0	0	0	0	0	0	0	0
AT&T Corp.	AT&T Corp.	5	\$5,000	0	0	0	0	0	0	0	0	0	0
GE Corp.	GE Corp.	2	\$2,000	0	0	0	0	0	0	0	0	0	0
Westinghouse Corp.	Westinghouse Corp.	1	\$1,000	0	0	0	0	0	0	0	0	0	0
General Electric Corp.	General Electric Corp.	0	\$0	0	0	0	0	0	0	0	0	0	0

TUESDAY, MARCH 25, 1986

FUTURES AND OPTIONS

The 'Triple Witching Hour':
Keep Low, Dodge the Bullets

By JAMES STERNGLAND

New York Times Service

NEW YORK — For Richard Kent, an institutional trader at Wertheim & Co., the first sign of real trouble in the stock market came on Monday, March 24, when the market was at 3:35 last Friday afternoon. "The market's getting killed," he said, watching a computer screen flash stock index price information. "This is getting vicious now, real vicious."

Minutes later, in one of the most violent closes in the New York Stock Exchange's history, the blasting by Wall Street's big guns got under way. Prices of major stocks plunged \$5.68 points on the Dow Jones average and trading volume was blown higher and higher by a new technical trading strategy that is transforming the stock market.

What the Wertheim traders were witnessing was the "triple witching hour" at 3:00 p.m., a time known in Wall Street as "the triple witching hour." Occurring only four times each year, the phenomenon involves complex trading maneuvers that use both stock index futures or options and the underlying stocks themselves. The turmoil it caused Friday, the third-largest loss in the stock market's history, is likely to be remembered for some time.

"Triple witching hour" refers to the fact that March stock index futures, index options and individual stock options all expire at once on the close. Certain professional investment strategies that involve simultaneous trading in these futures or options and the individual stocks must be "unwound" near the expiration of the contracts. Thus, the more money that is invested in these strategies, the heavier is the volume in the last hour.

"They're leaning on it, be careful," John Confusione, the senior institutional trader at Wertheim, called out to his team of cigar-chomping traders, locked to their telephones. He was referring to the waves of orders swamping the market to sell stocks in such major indexes as the Standard & Poor's 500.

The violent scene, which frightened and confused even seasoned professionals, was indicative of a major shift in how stocks are traded today. Less emphasis is placed on fundamentals such as a company's earnings and dividends, and more on technical strategies that require computers, split-second timing and millions of dollars that can be committed in seconds.

FOR WEEKS it had been anticipated that Friday's close would be frenetic, but even professionals who had witnessed similar scenes on previous occasions were taken aback by the sudden fury that was unleashed.

The "triple witching hour" game is played by a select few on Wall Street. The firms reputed to throw the most money into it — a minimum of \$5 million must be used to initiate one of these programs, experts say — include Salomon Brothers, Goldman Sachs & Co., Morgan Stanley & Co., Kidder, Peabody & Co. For the most part, they are believed to be investing for institutional customers.

One of the secrets of locking in profits is to close out the position as near as possible to the close of the market. This caused the huge backlog of orders and futures in the last minutes on Friday. In fact, the market was not really trading until about 3:30 p.m. — took more than 30 minutes after the 4 p.m. close to finish listing all the last-minute transactions.

That leaves such firms as Wertheim, which has a substantial and respected trading stock, trading, and a large number of participants in the intermarket play, to watch and wonder on days like Friday.

Early in the day, for instance, Laura Gold, one of the firm's traders, was told that the market would trade at a new record high that she bet \$20 on it. After a frantic afternoon of shouting into a telephone, she had to concede, "I'm disappointed." She added, "Everybody was trying that rumor this morning."

(Continued on Page 15, Col. 5)

Forecast
For OECD
Is RosyPolicy-Makers
See More Growth

By Carl Gewirtz

International Herald Tribune

PARIS — International wrangling over which governments need to be doing more to improve the economic outlook has dissipated — thanks to the continued decline in oil prices and the drop in inflation and interest rates — into a consensus that the prospect for sustained expansion in the major industrialized nations has never looked better.

This view was expressed Monday by senior policy-makers at the start of a two-day meeting by the Economic Policy Committee of the 24-nation Organization for Economic Cooperation and Development. The committee's forecast will be presented at the OECD ministerial meeting in mid-April, then used May 4 in Tokyo by the heads of government of the seven leading countries at their annual summit meeting.

One delegate at the policy committee meeting characterized the discussions as extremely complex. He said that the message delivered by the United States, Japan and West Germany was that conditions were excellent, extremely good and could not be better.

To this delegate's dismay, there was no discussion of the very visible problem of unemployment, particularly among youths, that bedevils every country in Western Europe. And, current forecasts do not project any dramatic improvement in the near future.

Officials say that the desire to not tamper with current policy, and to coast along on the favorable developments resulting from the oil price decline, results in less assurance from the uncertainty about the price of that key commodity. The latest OECD analysis shows a price of \$15 a barrel, down from an estimate of \$20 that was used in studies prepared only a few weeks ago.

But no one can be certain whether this low level will be sustained, or whether it will fall further or increase.

Using a price of \$15, the secretary, the permanent staff of the OECD, forecasts an economic growth rate of 3.4 percent in the 24 countries that comprise the OECD, up from 2.4 percent last year. The review, which is published annually, with a projected growth in gross national product.

(Continued on Page 13, Col. 4)

BankAmerica Pares Down to Grow Up

The Changes
Of Armacost Era
Are Just Starting

By James L. Rowe Jr.

Washington Post Service

SAN FRANCISCO — Samuel H. Armacost's appointment as president and chief executive of BankAmerica Corp. in December 1980 was, at the age of 41, the culmination of a rapid ascension that vaulted him over a layer of more senior executives.

But his five years at the helm of the second-biggest U.S. banking company, with \$118.5 billion in assets, may have felt longer than the 19 years he spent going there. Just as he arrived, there was a change in the environment in which the bank had prospered for more than 75 years.

BankAmerica's subsidiary, Bank of America, was unmatched in its ability to attract deposits, and only a few years ago had more than 1,100 branches in 48 states. It was a time of general economic prosperity, heavy regulation and low-cost deposits, nearly all its business was profitable.

In the era of deregulation, however, the ability to increase consumer deposits is not enough to guarantee profits. Higher interest rates pushed up the cost of deposits. The expensive branch system became a drain on earnings; so, too, did the long-term, fixed-rate loans that made up a sizable portion of its portfolio. Management shortcomings compounded the problems created when an economic downturn



Robert W. Frick



Samuel H. Armacost

struck many of the bank's customers.

When Mr. Armacost became president he was convinced that the Bank of America that had prospered in the previous decade could not survive in the 1980s.

Consequently, he set out to remake the bank: to impose sophisticated controls, to make executives accountable for decisions that once were made by committees in an overzealous bureaucracy, and to force management to rethink business relationships in terms of the costs and profitability.

"We've virtually transformed the management structures over the last three years," Mr. Armacost said. "There are different types of people here now than would have been here 5 or 10 years ago. Times change."

Andrew F. Brimmer, a director of BankAmerica and former governor of the Federal Reserve Board, said that Mr. Armacost has done a remarkable job in reworking Bank of America's

management. But that success, Mr. Brimmer said, has been overshadowed by losses caused in large part by inherited conditions.

The bottom-line performance now is in sharp contrast to the steady growth in earnings and size during the decade that A.W. Clausen was president and chief executive of the Bank of America, before he resigned to become head of the World Bank and chose Mr. Armacost as his successor. But, according to industry analysts, it was loans and decisions made during Mr. Clausen's tenure — although they boosted profits to record levels — that account for most of the problems that have haunted the bank the last five years.

Last year, those problems became a crisis. The bank had to write off so many uncollectible loans that it reported a \$337-million loss for 1985. That loss would have been greater had it not been for the \$490 million in working Bank of America's

Resignation Ends 4 Weeks That Shook the Fed

By Peter T. Kilborn

and Robert D. Hershey Jr.

New York Times Service

WASHINGTON — Not since the Truman era has the president of the Federal Reserve been the center of the drama, consternation and internal hostilities of the sort that shook it during the past four weeks.

The turmoil at the normally collegial institution, which often widens more influence over the U.S. economy than even the White House or Congress, appears to have waned. Paul A. Volcker, chairman of the Federal Reserve Board for nearly seven years, has survived a rare and embarrassing situation in which he lost a vote last month on a critical issue, reducing interest rates, to the Reagan-appointed governors on a board he had previously dominated. At one point during the episode, he considered resigning.

Instead, Preston Martin, vice chairman of the board, announced his own departure last Friday, partly because the White House denied him an assurance that he could have the chairman's job when Mr. Volcker's four-year term expires next year.

One leading inside candidate for vice chairman, according to White House officials, is Beryl W. Sprinkel, chairman of the president's Council of Economic Advisors.

They also said an obvious outside prospect would be Alan Greenspan, who was chairman of the council during the Ford administration.

And they added that Mr. Martin himself, who plans to return to San

Francisco, had not been ruled out for chairman.

In a series of interviews, Mr. Martin and other principals recounted the events that led to the crisis and talked about what the upheaval will mean for Mr. Martin's leadership and the implications for Federal Reserve policymaking.

The Fed has had what every institution needs every so often to make everyone realize that it is something precious and valuable," said Robert V. Roosa, a Wall Street banker and formerly a top Treasury official. "It has been muted, and that has been everyone on the board recognizes its value."

But the four weeks from Feb. 24 to March 21 demonstrated that the Federal Reserve is no longer the

Holmes à Court
Drops BHP Bid;
Hints at Another

Compiled by Our Staff From Dispatches

SYDNEY — Robert Holmes à Court, the wealthy Australian financier and investor, surprised stock markets on Monday by withdrawing his \$2.45-billion bid for control of the country's largest company, Broken Hill Pty., which has been held up in the courts.

The South African-born entrepreneur, however, quickly hinted that he would mount another campaign for BHP, his fourth in the last three years. His pursuit of the huge steel and mining concern instigated the biggest takeover battle in the country's history with the courts, the government and trade unions all involved.

"I don't think that there is any prospect at all of us ever giving up," Mr. Holmes à Court said after withdrawing the bid he announced Feb. 17. It was due to expire Monday.

That offer was for 7.70 Australian dollars (\$5.40 for half of each stockholder's BHP shares). Alternatively, stockholders could take one share in Mr. Holmes à Court's company, Bell Resources Ltd., plus 2.50 dollars for half of their BHP shares. The total value of the bid was estimated at about 3.5 billion dollars.

Mr. Holmes à Court was seeking a minimum 20 percent of BHP's 1.25 billion shares. That stake, plus Bell's 19-percent interest accumulated on the market, would have given him control of BHP.

Mr. Holmes à Court dropped his offer after BHP managed to win 12 cents in the courts for five weeks. BHP

also unsuccessfully sought government and union help in a bitter defense campaign, and bought up 18.8 percent of Bell Resources in an effort to block a share issue that was a key ingredient in the bid.

Meanwhile, lawyers for BHP said Monday they would seek an injunction to prevent another hostile move. Mr. Holmes à Court, who had so far sidestepped BHP in every attempt it made to block him.

While the withdrawal could be viewed as a major, temporary victory for BHP, they said, the move also gave Mr. Holmes à Court the chance to revise the bid.

"If he comes back with another offer, he's going to be in a much stronger position for the whole thing to go ahead," said one analyst who asked not to be named.

In any new offer, Mr. Holmes à Court would have the advantage of knowing much of BHP's defense strategy, which has been disclosed in detail by the Australian press. His chances also are buoyed because BHP's current share price is well below his bid.

BHP's stock plunged briefly after the announcement, but closed Monday at 6.52 dollars on the Melbourne Stock Exchange, up 12 cents.

(Reuters APF)

GNP Rises 5.1%
In South Korea

Reuters

SEOUL — South Korea's gross national product, adjusted for inflation, grew a provisional 5.1 percent in 1985 after increasing 8.4 percent in 1984, the government said Monday. The government had set a target of 7.5 percent.

BHP's stock plunged briefly after the announcement, but closed Monday at 6.52 dollars on the Melbourne Stock Exchange, up 12 cents.

Bank officials said widespread protectionism, which slowed exports in 1985, was mainly responsible for the shortfall in the targeted growth of GNP during the year. South Korea has set a target of 7 percent growth in GNP in 1986.

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Currency Rates

Currency Rates	March 26
American Express	1.0000
Bank of America	1.0000
Bank of Montreal	1.0000
Bank of New York	1.0000
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Bank of Tokyo	1.0000
Bank of West	1.0000
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Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

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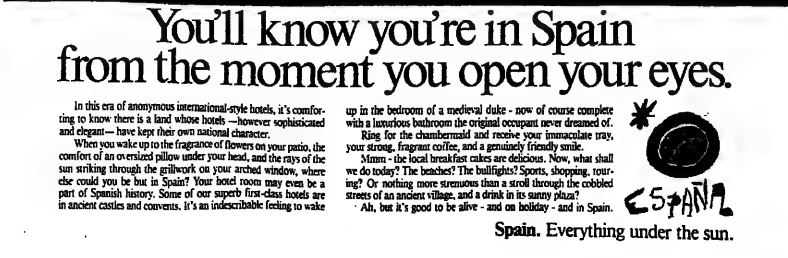
AL Labs AmRealty Brown/Fr A, CRFst 2500 Hosier Int'l Bkng Openheim Sierstems Vartiole	Alamite BDM (as P) Brown/Fr S Consider Hosier Ker/Farm Poulet/Pfr SULLAD A WRIT S	Alza Corp Bowl/Am S Care/COA S Pared/Civ A Health/Am S. S. S. S. Pier 1 Inc Start Black Where/En S	AmFruct Brasco CFT/Plac Forest C ICH CH S. S. S. S. Providing TransTec
AmRoyalty	EngDev	Intwest	NRM Eng

Reuters

MADRID — China has canceled industrial projects worth \$375 million from Spanish companies, the Trade Ministry's director-general for trade, Apolonio Ruiz Ligero, said Monday.

He said the decision probably was linked to problems with the balance of payments and foreign exchange reserves. Tecnicas Reunidas SA and Centurion SA were to have provided engineering for a \$350-million refinery, while Asland SA was in charge of a cement project.

March 31: 1 session/Mod. Common

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Ah, but it's good to be alive - and on holiday - and in Spain.

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**Singapore Assurance
Stock Investors**

SINGAPORE — The Stock Exchange of Singapore said Monday that it would honor all bona fide contracts transacted through it, including contracts with exchange members now under independent management, receivership or liquidation.

The statement followed reports that some investors had not been paid for shares sold through brokers facing financial problems at the collapse in November of P.E.-Electric Industries Ltd.

The troubled firms include E. & Evans Pte. Associated Assurance Societies (Pte.) Ltd., Alpha-Pac Securities Pte., City Securities Pte., E.G. Tan & Co., K. H. Lim & A.

By David R. R.

Dollar-straight issues closed $\frac{1}{4}$ to $\frac{1}{2}$ point firmer.

Sterling Eurobonds eased modestly on profit-taking sparked by the currency's decline after news of the OPEC adjournment.

Restaurant Seibo Ltd.'s \$50-million, five-year warrant Eurobond, with an indicated coupon of 4 percent, won an exceptionally strong reception to close bid at a 10 point premium to its issue price.

Readers

A year ago, the future of the \$1-billion project was in doubt after a dispute between the shareholders and the government over proposals for copper development. However, agreements were signed last August and this year.

(Continued from Page 11)

"They don't want to get in the way," he said. "Who does?" An example of what can happen, Mr. O'Donoghue said, was a trade in General Motors Corp. by a Wertheim customer Friday morning. The customer paid \$86.25 for a block of shares only to see its price fall to \$83.75 by the close.

Compiled by Our Staff From Dispatches

The U.S. currency also gained against the French franc, to 7.095 francs at the fixing from 6.93 francs on Friday, and against the Swiss franc, to close at 1.9445 from 1.885 on Friday.

Source: Reuters

A senior Bank of Japan official in Tokyo said the U.S. Federal Reserve was worried that if the dollar declined further, inflation might be rekindled. The two central banks agreed that the dollar's fall was more or less complete, the Japanese official said.

boosted the dollar by five pfennigs at one stage to 2.30 DM, the highest level in Europe for more than a month. It later fell back slightly to close at 2.2870 DM, from 2.2410 DM on Friday.

In Tokyo, the dollar edged up slightly to close at 177.35 yen, from 177.00 yen on Thursday. Tokyo markets were closed Friday for holiday.

The dollar also gained support from comments made over the weekend by Prime Minister Yasuhiro Nakasone of Japan.

He told a budget committee of the upper house of the Diet that the yen's value of 174 to 175 to the dollar, a level touched last week, was too high.

Earlier in other European markets, the dollar was fixed at 2.2887 DM in Frankfurt, up from 2.2513 DM on Friday's, and at 7.028 French francs in Paris, higher than Friday's fix of 6.925. It closed in Zurich at 1.9185 Swiss francs, up from 1.8848 francs.

The failure Monday of ministers of the Organization of Petroleum Exporting Countries to agree on ways to shore up the price of oil hurt the pound, which had otherwise been buoyed by Britain's relatively high interest rates and low inflation.

In London, sterling hit a high of \$1.5160 then fell back to close at \$1.4903, down from Friday's close of \$1.5108.

(Reuters, UPI, IHT)

The Associated Press

The group includes Carl C. Brazell Jr., the radio president, along with Morgan Stanley & Co., the investment firm, and other mem-

WIP-AM and WMMR-FM in Philadelphia; WASH-FM in Washington, D.C.; WQMC-FM in Detroit; KRLD-AM in Dallas and WWBA-FM in Tampa and St. Petersburg, Florida.

George Spechenbach, who trades the regional Bell telephone companies, added: "There are no rules. You dodge the bullets."

"Europeans generally thought that Volcker won a war," said Joseph Volpicella, a trader with Union Bank of Switzerland. "Any-

In Tokyo, the dollar edged up slightly to close at 177.35 yen, from 177.00 yen on Thursday. Tokyo markets were closed Friday for holiday.

In London, sterling hit a high of \$1.5160 then fell back to close at \$1.4903, down from Friday's close of \$1.5108.

(Reuters, UPI, IHT)

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